

Message Text

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ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: DECEMBER 13 EA PRESS SUMMARY

1. JAPAN

MOST PAPERS CARRY MAJOR STORIES ON STRAUSS PRESS CONF
12/12. STR STATED JAPANESE PROPOSALS FOR DEALING
W/TRADE IMBALANCE "FELL CONSIDERABLY SHORT" OF WHAT US
FEELS NECESSARY. TERMED JAPANESE PLAN "INSUFFICIENT"/SAID
HE EXPRESSED THOSE SENTIMENTS "VERY CANDIDLY" TO USHIBA
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IN 4 1/2-HR MTG MONDAY. STRAUSS STRESSED THAT TALKS
ONLY IN INITIAL STAGES; STILL CONSIDERABLE ROOM FOR
FURTHER DISCUSSIONS. DECLINED DELVE INTO SPECIFICS,
BUT EXPRESSED CERTAINTY US WOULD SUCCESSFULLY CONCLUDE
NEGOTS W/JAPAN IN SHORT RUN. ADDED HE EXPECTED CONSIDERABLE
NARROWING OF DIFFERENCES AT THIS WK'S MTGS, CHARACTERIZING
MONDAY'S SESSION AS "EXCEEDINGLY POSITIVE" (FARNSWORTH,
NYT; TREWHITT, SUN; NEWMAN, REUTER 12/12; WSJ; LAWRENCE,
JOC). PINE/ROWEN (WP) ADD LATER MONDAY, DOS OFFICIALS
"TOOK PAINS" ASSERT THAT DESPITE US DISAPPOINTMENT IN

PKG, TALKS HAD BEEN "POSITIVE"/US, JAPAN ACTING AS "ALLIES".

REUTER (12/12) CITES USHIBA NEWS BRIEFING FOLLOWING MONDAY'S TALKS. MINISTER SAID HE HAD RESPONDED TO US DISSATISFACTION W/JAPANESE POSITION BY NOTING JAPAN'S MEASURES DRAFTED FOR US BENEFIT ALONE, ADDING THAT WHILE THERE WAS LITTLE ROOM FOR JAPANESE CONCESSIONS AT THIS POINT, HE WAS CONFIDENT SATISFACTORY SOLUTION COULD BE REACHED.

IN TOKYO 12/12, FONMIN SONODA SAID TRADE PROPOSALS REPRESENT "MAXIMUM POSSIBLE PACKAGE" AT PRESENT. EXPRESSED SOME DOUBT PLAN WOULD BE ACCEPTABLE TO US/SAID TALKS' FAILURE WOULD BE "QUITE SERIOUS" IN US-JAPAN RELS. TERMED CURRENT TRADE TENSIONS W/US "MOST URGENT OF JAPAN'S DIPLOMATIC CHALLENGES" (NYT).

IN 12/12 INTERVIEW, AMB MANSFIELD TOLD AP JAPAN HAS NOT GONE FAR ENOUGH IN TRADE PROPOSALS, ADDING US-JAPAN RELS IN "CRISIS PERIOD." REPEATED EARLIER WARNINGS THAT CONGRESS PROBABLY WOULD PASS SEVERE PROTECTIONIST MEASURES UNLESS TRADE DIFFERENCES SETTLED PROMPTLY. UNCLASSIFIED

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WARNED, "TIMES CALL FOR A SOLID SETTLEMENT" SOON AS POSSIBLE (PHINQ).

JAPANESE ECON AFFAIRS CABINET MINISTERS HAVE AGREED COUNTRY'S ECON GROWTH LIKELY FALL SHORT OF ANNOUNCED TARGET. ECON PLANNING AGENCY DIRECTOR TOLD NEWS CONF 12/12 GROWTH TARGET HAD TO BE LOWERED DUE RISE IN YEN VALUE. ADDED MINISTERS' MTG FAILED COME UP W/CONCRETE FIGURES ABOUT FORECASTS FOR NEXT YR'S CURRENT ACCOUNT BALANCE/ECON GROWTH (REUTER TOKYO 12/12).

SOCIALIST LEADERS FROM 12 COUNTRIES WILL MEET IN TOKYO 12/17-19 (UPI, JOC).

NASA PLANS LAUNCH JAPAN'S 1ST COMMUNICATIONS SATELLITE 12/15 FROM CAPE CANAVERAL INTO STATIONARY ORBIT OVER E PAC (CSM).

HASHIHAMA SHIPBUILDING HAS FILED BANKRUPTCY. FIRM'S DEBTS ESTIMATED BETW 185-206 MIL DOLS--LARGEST LIABILITIES IN ANY SUCH FILING TO DATE. CORP'S OFFICIALS BLAMED FIRM'S FAILURE ON WORLD-WIDE GLUT SHIPS/CANCELLATIONS OF OVERSEAS ORDERS, REFLECTING RISE IN YEN VALUE (WSJ; CULLISON, JOC TOKYO).

UK TRADE MINISTER MEACHER HAS WARNED THAT AFTER SIGNIFICANT INCREASE IN LEVEL JAPANESE CAR IMPORTS THIS YR,

FUTURE FIGURES MUST BE MORE ACCEPTABLE. SAID HMG WOULD
LOOK CAREFULLY AT DEC'S SALES FIGURES BEFORE DECIDING
WHAT STEPS IT MIGHT TAKE (JOC LONDON).

IN SEPARATE ITEM, JOC QUOTES MEACHER THAT DESPITE
HITACHI'S DECISION TO BUILT FACTORY IN UK, JAPANESE
FULLY EXPECTED CONTINUE TAKE INTEREST IN INVESTMENT
THERE, "PARTICULARLY WITH THE LOW WAGES IN BRITAIN."

2. JAPAN/AUSTRALIA
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JAPAN WILL SOON BEGIN URANIUM PROSPECTING IN W AUSTRALIA
IN SEPARATE JOINT VENTURES W/2 AUSSIE MINING FIRMS
(REUTER TOKYO).

3. CHINA

MACKENZIE (REUTER HARBIN 12/12) REPORTS THAT ACCORDING TO
SENIOR PRC PROVINCIAL OFFICIAL CHAN CHAN-TEH PRC/SOVIETS
HAVE REACHED ACCORD WHICH REOPENS RIVER CHANNEL TO PRC
VESSELS FOR 1ST TIME IN DECADE PAST SIBERIAN BORDER CITY OF
Khabarovsk. OFFICIAL CONFIRMED THAT SINCE SEPT, PRC BOATS/
FREIGHTERS HAVE BEEN USING CHANNEL LOCATED WHERE AMUR/
USSURI RIVERS MEET. HOWEVER, OFFICIAL ALSO ACCUSED SOVIET
GUNBOATS OF HARASSING PRC SALMON FISHERMEN BY RAMMING
VESSELS/CUTTING FISHING GEAR. CHANG TOLD REPORTERS VISITING
HARBIN THAT NOT KNOW EXACT DATE WHEN UNDERSTANDING ON
RIVER NAVIGATION REACHED. SAID AGREEMENT DID NOT COVER
TERRITORIAL OWNERSHIP.

PRC FON TRADE MINISTER LI CHIANG/FRENCH PM BARRE AGREED
12/12 TO INCREASE TRADE BETWN 2 NATIONS, INCL POSSIBLE SALE
OF FRENCH AIRCRAFT/NUCLEAR ENERGY PLANTS TO PRC. FRANCE
EXPECTED AGREE TO SIZEABLE CONTRACT W/PRC DURING PEKING
VISIT BARRE SCHEDULED MAKE JAN 19-24 (DEDBON, REUTER
PARIS 12/12; CSM). - -

TSENG TAO, FORMER PRC AMBASSADOR TO FRANCE/DEPUTY DIR NCNA,
APPOINTED NCNA DIR. PREDECESSOR CHU MU-CHIH APPOINTED TO
SENIOR POST IN PROPAGANDA DEPT DIRECTLY UNDER CCP CENTRAL
CMTE (REUTER PEKING). - -

RAM (CSM NEW DELHI) REPORTS ANALYSTS BELIEVE PRC WANTS
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MAINTAIN BORDER DISPUTE W/INDIA WHILE, AT SAME TIME,
SEEKING STEP-BY-STEP IMPROVEMENT IN RELS. RECENT PEKING
BROADCAST EMPHASIZING PRC RESOLVE TO DEFEND BORDERS CAME
FEW DAYS AFTER INDIAN PM DESAI SAID PRC WAS OCCUPYING
INDIAN TERRITORY/COULD BE NO FULL UNDERSTANDING BETWN 2

UNTIL ISSUE RESOLVED- ANALYSTS SAY PRC DOES NOT WANT
EARLY SETTLEMENT W/INDIA FOR SAME REASON IT IS GOING SLOW
OVER BORDER DISPUTE W/SOVIETS; DOES NOT WANT LOSE PRESSURE
POINT. ALSO, ANALYSTS SAY, SETTLEMENT W/INDIA NOT WANTED
UNTIL PEKING ALSO READY SETTLE W/SOVIETS.

ECONOMIC PLANNING/DEVELOPMENT COUNCIL SET ROC'S ECON
GROWTH FOR '78 AT 9 PCT, UP 1 PCT FROM '77. GROWTH
EXPECTED BE INSPIRED MAINLY BY ECON GROWTH IN US/JAPAN
(UPI, JOC TAIWAN).

4. NEW ZEALAND

ACCORDING JOC'S MCLAUGHLAN (AUCKLAND), NZ CARRYING OUT
URGENT STUDY ON COUNTRY'S PORT/TONNAGE OF CARGO MOVING
THRU THEM, TO DETERMINE EFFECT ON SMALL PORTS TO RAPID
RISE IN CONTAINER SHIPPING.

MCLAUGHLAN DOES SECOND PIECE FROM AUCKLAND ON CASH-FLOW
PROBLEMS PLAGUING PRIVATE INSURANCE FIRMS WHICH HE SAYS
ARE CONSEQUENCE RECENTLY-INTRODUCED GOVT WELFARE SCHEMES.
SAYS ACCIDENT COMPENSATION SCHEME W/24-HR PROTECTION/
80 PCT INCOME REPLACEMENT IMMEDIATELY DESTROYED WORKERS'
COMPENSATION INSURANCE/TOOK AWAY RIGHT TO SUE FOR DAMAGES
IN CASE OF INJURIES CAUSED BY NEGLIGENCE. REUTER SAYS
CASH-FLOW FALL-OFF FOLLOWING STATE ENTRY INTO WELFARE
HAS NOT BEEN CRITICAL AND MOST FIRMS HAVE MANAGED MAINTAIN
PROFITS.

5. SINGAPORE

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ITT ANNOUNCES PLANS SET UP PLANT IN SINGAPORE TO
MANUFACTURE HIGH TECHNOLOGY TELECOMMUNICATIONS PRODUCTS
FOR SEASIA (UPI, JOC).

6. VIETNAM

ACCORDING VN NEWS AGENCY, WORK IS UNDERWAY TO RENOVATE
HUE'S HISTORIC RELICS (UPI, LAT HK, 12/11).

VICE PREMIER PHAM HUNG HAS CALLED FOR ALL-OUT EXPORT
DRIVE TO HELP FINANCE ECON DEVEL PROJECTS IN 2ND 5-YR
PLAN. IN ARTICLE WRITTEN FOR "TAP CHI CONG SAN," HUNG
SAID THIS ONE OF IMPT/URGENT REQUIREMENTS OF NATL ECON.
SAID 1ST PRIORITY MUST BE TO DEVEL TROPICAL AGRIC
COMMODITIES, THEN DEVEL PETRO/OTHER RESOURCES (UPI, HK
JOC).

7. INDOCHINA REFUGEES

UPI (WP) REPORTS US CONSIDERING IMMEDIATE ADMISSION 4,700 BOAT PEOPLE IN VARIOUS COUNTRIES WHO HAVE NO OTHER OFFER FOR RESETTLEMENT. QUOTES DOS SPOKESMAN TRATTER THAT "BACKLOG GROWS EVERYDAY" AND DEPT IS CONSIDERING PAROLE AUTHORITY FOR THEM UNTIL LONG-TERM POLICY CAN BE DEVELOPED

WITH CONGRESS. ALSO SAID LONG-TERM POLICIES ARE NEEDED TO TAKE CARE OF 100,000 OTHER REFUGEES IN THAI CAMPS.

CSM'S STUART NOTES 156,000 INDOCHINA REFUGEES ALREADY ADMITTED US "LARGEST INFLUX OF WAR REFUGEES IN AMERICAN HISTORY." LIMITED BY LAW TO ADMITTING 10,200 REFUGEES/YR, US HAS IN RECENT YRS ADMITTED 17,400, THIS YR 19,000 W/15,000 TO BE ADMITTED IN NEAR FUTURE/STATUTORY CEILING UNCLASSIFIED

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ON NON-EMERGENCY REFUGEES SOON TO BE RAISED BY CONGRESS. SAYS CONGRESS MOVING TOWARD CHANGE OF LAWS THAT WOULD NEARLY DOUBLE CURRENT LIMIT TO 20,000/YR. SAYS NATION'S DOORS OPEN WIDEST TO REFUGEES FROM LEFT-WING REGIMES, BUT NEW INTAKE ALSO INCLUDES GROWING NUMBER FLEEING RIGHT-WING REGIMES. SAYS PLAN DRAFTED BY HOUSE IMMIGRATION SUBCMTE WOULD DOUBLE NORMAL FLOW, BROADEN DEFINITION TO REMOVE IDEOLOGICAL/GEOGRAPHICAL RESTRICTIONS, SEEK WIDER PARTICIPATION BY REST OF WORLD THRU STREAM-LINING CONSULTATION PROCESS.

8. KOREA

IN 12/12 REMARKS TO MTG AT YONGSAN MIL COMPOUND, AMB SNEIDER SAID KOREAN INFLUENCE-BUYING SCANDAL HAS STRAINED US-SK RELS, ADDING US AID COULD BE AFFECTED IF SEOUL DOESN'T COOPERATE IN PROBE. STATED AFFAIR MUST BE RESOLVED BEFORE "REPUTATIONS ARE DAMAGED FURTHER"/"MUTUAL INTERESTS" PLACED IN JEOPARDY (AP, WP).

IN 11-PAGE REPORT TRANSMITTED TO CONGRESS FRIDAY/MADE PUBLIC BY DOS MONDAY, CARTER ADMIN SAID NK ENGAGED IN "MAJOR, LONG-TERM BUILDUP" OF MIL FORCES, GIVING IT SIZABLE ADVANTAGE OVER SK. REPORT SAYS PLANNED US TROOP W/DRAWAL WILL NOT ENDANGER SKOREAN SECURITY IF ACCOMPANIED BY MIL ASSISTANCE/STRENGTHENING SKOREAN FORCES (AP SUN, NYT; UPI, WP; REUTER 12/12; GLOBE).

9. KOREA/CHINA

TAIWAN/SK HAVE AGREED STRENGTHEN ECON/TRADE/TECHNOLOGY COOPERATION AT 12TH ECON COOPERATION CONF. COUNTRIES PLEDGED COOPERATE MORE CLOSELY IN INTL MKTS TO TIDE THEM OVER CURRENT PROTECTIONIST TREND (COMMODITY NEWS SERVICE, JOC TAIPEI).

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COMMENT AND ANALYSIS

10. JAPAN

SAMUELSON (WP) CHARACTERIZES US-JAPAN TRADE DISPUTE AS

"STANDOFF." SAYS JAPAN'S TRADE SURPLUS CANNOT CONTINUE LONG W/O INFLICTING AS MUCH DAMAGE ON JAPAN AS ON ITS TRADING PARTNERS. SEES SUSTAINED JAPANESE DOMESTIC EXPANSION, CREATING INTERNAL DEMAND FOR STEEL, AS ONLY HOPE FOR INCREASING US EXPORTS. OPINES IF JAPANESE CAN'T REVERSE TRADE SURPLUS, "IMPERSONAL EXCHANGE RATE MOVEMENTS"/WORLD'S "BOB STRAUSSSES" WILL TRY DO JOB FOR THEM.

CM'S ELLIS BELIEVES ADMIN'S FAILURE WIN SUBSTANTIAL CONCESSIONS FROM JAPAN WILL REDOUBLE AFL-CIO/CONGRESSIONAL PRESSURES ON WH TO LIMIT JAPANESE IMPORTS. IN PHONE INTERVIEW, WH OFFICIAL SAID US WANTS LEARN: HOW MUCH JAPANESE WILLING PUMP UP ECON GROWTH RATE; HOW QUICKLY GOJ PLANS REVERSE TRADE SURPLUS; WHAT SPECIFIC PROPOSALS JAPAN HAS FOR REDUCING IMPORT QUOTAS/TARIFFS. REMARKS "WATCHING IN THE WINGS" IS EC, SUFFERING FROM 5-BIL-DOL TRADE GAP W/JAPAN THIS YR.

HARSCH (CSM) STATES CONGRESS WILL DO SOMETHING--"FAIRLY OR UNFAIRLY"--ABOUT JAPANESE IMPORTS WHEN IT RETURNS FROM RECESS, UNLESS STRAUSS DOES SOMETHING IN MEANTIME. SAYS SHOULD BE UNDERSTOOD, HOWEVER, THAT EVEN IF JAPAN STOPPED ALL DUMPING/OPENED DOORS FULLY TO IMPORTS, THERE WOULD STILL BE TRADE IMBALANCE BETW JAPAN/WEST. OPINES "ABSOLUTE TRADE BALANCE" W/JAPAN UNNECESSARY; BUT SOME BALANCE "SOULD BE EARNED, NOT IMPOSED BY UNCLASSIFIED

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TARIFF PROTECTIONISM." SEES "GREATEST SINGLE DANGER" TO WESTERN TRADING COMMUNITY IS TENDENCY TOWARD FRAGMENTATION. STATES IF THIS COMMUNITY "BLOWS ITSELF APART" IN TRADE WAR, "MOSCOW WINS THE GAME."

NYT'S MALCOLM (TOKYO) PROFILES USHIBA/STRAUSS, W/FOCUS ON FORMER. NOTES MTG W/STRAUSS THIS WK NOT 1ST DIFFICULT ENCOUNTER FOR USHIBA, AS AMB INVOLVED IN COMPLEX TEXTILE TALKS IN EARLY 70S/WAS AMB TO WASHINGTON AT TIME NIXON'S "CHINA SHOCK."

CONINE (LAT 12/12) FINDS MODERN-DAY JAPANESE ECON BASED ON MERCANTILISM--IMPORTING RAW MATERIALS/EXPORTING MFD

GOODS/MINIMIZING IMPORT FINISHED GOODS. WHILE SYMPATHETIC TO JAPANESE ARGUMENT THAT THEY HAVE NO OTHER CHOICE, SAYS JAPAN MUST PLAY FAIR--OPENING UP HOME MARKET/NOT SELLING EXPORTS BELOW PRODUCTION COST. BELIEVES JAPANESE BENDING SOMEWHAT UNDER STIFF US PRESSURE, THO SAYS CONCESSIONS OFFERED "WILL HARDLY MAKE A DENT" IN TRADE IMBALANCE. URGES US PRESS FOR CHANGE IN JAPAN'S TRADING SYSTEM, BUT W/O PUTTING "UNACCEPTABLE STRAINS" ON "STILL-FRAGILE FABRIC OF JAPANESE DEMOCRACY."

11. CHINA

NYT, IN COMMENT ON MUNRO EXPULSION FROM PRC, STATES THIS HARDLY UNUSUAL FOR COMMUNIST COUNTRY, BUT IS, NEVERTHELESS, SYMPTOMATIC OF OBSTACLES TO "NORMALIZING" RELS W/PRC. SAYS FOR AMERICANS, WHO WISH ADMIRE/CRITICIZE AS THEY GAIN UNDERSTANDING OF OTHER SOCIETIES, "IT IS DIFFICULT TO DO BUSINESS W/THOSE WHO SAY THAT HOW THEY LIVE IS NONE OF OUR BUSINESS."

MATHEWS (LAT HK 12/11) REPORTS PRC HAS STEPPED UP DIPLO INVOLVEMENT SEA IN APPARENT BID TO MAKE PEACE AMONG WARRING INDOCHINA STATES/COUNTER SOVIET INFLUENCE IN UNCLASSIFIED

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REGION. CITES RECENT PRC VISITS MADE BY INDOCHINESE LEADERS; VISIT BY VICE PREMIER CHEN YUNG-KUEI TO PHNOM PENH. NOTES TENG HSIAO-PING EXPECTED TO VISIT BURMA SHORTLY. CONTENTS AT HEART OF EFFORT IS PRC'S DETERMINATION PREVENT ANY SEA INSTABILITY THAT COULD BE EXPLOITED BY SOVIETS/VIETNAMESE. ACCORDING ANALYST TRETIK (PROF AT TORONTO'S YORK UNIV), PRC LESS CONCERNED ABOUT SEA THAN ABOUT RELS W/SUPERPOWERS AND MAJOR TRADING PARTNERS.

MATHEWS (LAT HK 12/11) OBSERVES THAT DESPITE DEATHS OF ANTAGONISTS MAO/CKS, PRC/ROC NO CLOSER TO RECONCILIATION; EACH STILL INVOLVED IN VICIOUS PROPAGANDA EFFORT TO REPUDIATE OTHER. HOWEVER, DESPITE THIS "POISONOUS STATE OF RELATIONS," MATHEWS NOTES, "LIVELY SUB ROSA TRADE" EXISTS BETWN TWO. EXISTENCE OF THIS MODEST TRADE SOMETIMES SEEN RAISING HOPES AMONG AMERICANS THAT EVENTUALLY TWO MIGHT BEGIN DIRECT NEGOTS. HOWEVER, THIS SEEN VERY UNLIKELY.

MATHEWS SUMS UP SITUATION W/QUOTE FROM ROC LEGISLATOR KANG NIN-HSIANG: CHINESE "CAN TOLERATE A STALEMATE BETTER THAN ANYONE ELSE ON EARTH. WITH 5,000 YEARS OF HISTORY, THEY'VE LEARNED A LOT OF PATIENCE."

LAT 12/11 RUNS LONG INTERVIEW BY PAUL LOWINGER (PSYCHIATRIST, UNIV OF CAL SCHOOL OF MEDICINE IN SF) W/JAMES

VENERIS, EX PATRIOT. LOWINGER'S THESIS IS THAT THERE IS NO SUCH THING AS BRAINWASHING; HE CONCLUDES VENERIS STAYED THERE BECAUSE PRC SOCIETY OFFERED HIM FRIENDSHIP/ DIGNITY/PRODUCTIVE LABOR--ITEMS LACKING IN HIS US LIFE.

BUTTERFIELD (NYT HK) REPORTS THAT, BASED ON ACCOUNTS OF UNCLASSIFIED

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PRC REFUGEES REACHING HK, LITERATURE OF DISSENT EMERGING IN CHINA/THAT UNPUBLISHED NOVELS, SHORT STORIES, POEMS, SONGS HAVE BEEN CIRCULATED SINCE GPCR. OFTEN AUTO-BIOGRAPHICAL, UNDERGROUND LITERATURE REFLECTS DIFFICULTIES OF LIVING IN PRC AS IT TRIED KEEP PACE W/MAO'S VISION. CHINESE SOURCES ALSO SAY MUCH OF LITERATURE WRITTEN BY FORMER RED GUARDS/URBAN STUDENTS DURING/AFTER GPCR.

COMPANION ARTICLE REPORTS NO COMPLETE MANUSCRIPTS OF UNDERGROUND PRC LITERATURE KNOWN TO HAVE REACHED OUTSIDE WORLD. HOWEVER, FEMALE WRITER, CHEN JO-HSI, WHO WAS PERMITTED LEAVE PRC IN '73 AFTER HAVING SPENT 7 YRS THERE, HAS WRITTEN COLLECTION OF SHORT STORIES "MAYOR YIN AND OTHER STORIES OF THE GREAT PROLETARIAN CULTURAL REVOLUTION." COLLECTION WILL BE PUBLISHED BY INDIANA U PRESS NEXT YR.

CHEEVERS/ROHRBACHER (GLOBE 12/12) DO FEATURE ACCOUNT ON SFO'S CHINATOWN, NOTING IT HAS BECOME "SECOND FRONT" IN PROPAGANDA WAR BETWN CHINA/TAIWAN. REPORTERS SAY BECAUSE OF UNCERTAINTY OVER WHETHER/WHEN US WILL NORMALIZE W/PRC, RECORD NUMBER OF PEOPLE HAVE FLED TAIWAN TO US AND MILLIONS OF DOLLARS IN "FLIGHT CAPITAL" HAVE FOUND WAY TO SFO. SAY THIS GROWING EXODUS TO CITY HAS INTENSIFIED BATTLE BETWN ROC SUPPORTERS/PRC SYMPATHIZERS. SFO BUSINESSES, AIDED BY KMT, HAVE MOUNTED EXPENSIVE LOBBYING CAMPAIGNS AGAINST NORMALIZATION. KMT'S GROWING INFLUENCE IN SFO CHINATOWN, OBSERVERS SAY, WILL LEAD TO GREATER TENSION W/MAINLAND SUPPORTERS AND POSSIBLE REPEATS OF INCIDENTS LIKE LAST SEPT'S GOLDEN DRAGON RESTAURANT MASSACRE.

12. AUSTRALIA

LAT'S MCARTHUR (SYDNEY 12/11) SAYS FRASER'S UNEXPECTEDLY LARGE VICTORY IN SAT ELECTION EFFECTIVELY CEMENTED HIS CONTROL GOVT COALITION/ENSURED HIS GOVT WOULD LAST FULL UNCLASSIFIED

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3-YR TERM, ENDING UNSTABLE POL SITUATION WHICH HAS BROUGHT "ECONOMICALLY TROUBLED AUSTRALIA" 4 ELECTIONS IN 5 YRS.

JOC'S STOVE (SYDNEY)FINDS FRASER'S VICTORY "DELIGHTED BUSINESS." SAYS STOCK EXCHANGES THRUOUT COUNTRY REACTED FAVORABLY MON (URANIUM MINING SHARES GAINED PARTICULARLY)--INDICATION BUSINESS SECTOR GRIPPED BY NEW CONFIDENCE.

13. PHILIPPINES

MATHEWS (WP ZAMBOANGA 12/12) DOES BACKGROUND PEICE ON MOSLEM UPRISING. SAYS ESTIMATED 30-50,000 PEOPLE HAVE DIED IN LAST 5 YRS IN SKIRMISHES, AMBUSHES, EXPLOSIONS/ 87,000 REFUGEES IN AREA ARE HOMELESS, DESPITE YR-LONG CEASE-FIRE. SAYS BOTH CHRISTIANS/MOSLEMS FEEL WILL BE LONG WAR; NOTES HAS ACTUALLY BEEN GOING ON FOR 300 YRS,

BEGINNING W/SPANISH ATTEMPT BRING CATHOLICISM TO ISLAMIC FILIPINOS.

MATHEWS CHARGES MARCOS LARGELY TO BLAME FOR "FANNING THE COALS" OF OLD CONFLICT BY DECLARING MARTIAL LAW/DEMANDING PRIVATE ARMIES RELINQUISH WEAPONS. CONCLUDES THIS DESTROYED DELICATE POWER BALANCE, SINCE MOSLEMS CONSIDERED THEIR ARMS CACHES IMPT INSURANCE POLICY (ACCOMPANIED BY MAP).

14. VIETNAM

SECOND (12/12) INSTALLMENT FRANK SNEPP'S "DECENT INTERVAL" REVEALS RESERVATIONS GEN VAN TIEN DUNG HAD ABOUT HANOI POLITBURO ORDERS NOT INTERFERE W/AMERICAN UNCLASSIFIED

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AIRLIFT OF EVACUEES TO MINIMIZE RISK OF US INTERVENTION. DESCRIBES DIFFICULTY EVACUATION HAD STARTING, SINCE C-130S COULD NOT LAND SAFELY AT AIRPORT. ACCORDING SNEPP, AMB MARTIN WOULDN'T GIVE GO-AHEAD FOR HELICOPTER AIRLIFT.

GLOBE'S OLIPHANT DOES 2 ARTICLES ON VISIT BY SRV UN DELS NGUYEN NGOC DUNG/CU DINH BA/MA HUY TAM TO ARLINGTON STREET CHURCH, BOSTON--1ST TIME MEMBERS DEL HAVE BEEN PERMITTED LEAVE NYC. MRS. DUNG SAID IT WAS FITTING TO VISIT CHURCH WHICH WAS HOST OF CELEBRATED ANTI-WAR SERVICE 10 YRS AGO; VIETNAMESE PEOPLE "ARE FOREVER GRATEFUL TO THE AMERICAN PEOPLE," SHE SAID.

OLIPHANT NOTES OCCASION BROUGHT OUT MANY VETS OF PEACE MOVEMENT WHO HAVE REMAINED ACTIVE IN PROMOTING AMNESTY FOR VETS/US RECOG VN/US AID TO VN. REPORTS BA SUGGESTED AMERICAN POLITICS STANDING IN WAY OF PEACEFUL RELS BY RENEGING ON "BINDING PLEDGES" OF AID/BY MOBILIZING SUPPORT FOR REFUGEES STILL ATTEMPTING FLEE VN (ACCOMPANIED BY PHOTO 12/12).

IN 2ND ARTICLE, OLIPHANT COMPARES VN'S IMPATIENT ATTITUDE
W/THAT OF CUBA'S WILLINGNESS WAIT FOR RECOGNITION/AID.
SAYS THIS BECAUSE VIET OFFICIALS CONVINCED, "IF QUITE
POSSIBLY MISTAKENLY," THAT EVENTUALLY US PUBLIC OPINION
WILL FORCE POLICY CHANGES ON USG. NOTES VIETS CITED
WAR CASUALTIES--200,000 PROSTITUTES/50,000 DRUG ADDICTS/
3 1/2 MILLION UNEMPLOYED/150,000 UNEXPLODED BOMBS/
180,000 HANDICAPPED PEOPLE/560,000 ACRES CROP LAND
DESTROYED--"LEGACY OF DESTRUCTION" THEY FEEL US MORALLY
OBLIGATED HELP REPAIR. SAYS THEIR PRINCIPAL TARGET IS
EA'S HOLBROOKE, FORMERLY ACTIVE IN ANTI-WAR MOVEMENT
(ACCOMPANIED BY PHOTO MRS. DUNG). CHRISTOPHER

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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 119436
Secure: OPEN
Status: NATIVE
Subject: DECEMBER 13 EA PRESS SUMMARY
TAGS: SOPN, XC, US
To: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS MOSCOW MULTIPLE
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